



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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WASHINGTON, DC 20350-1000

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MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)

Subj: MANAGEMENT OF THE TRAVEL CARD PROGRAM

Ref: (a) DoD FMR, Vol. 9, Ch 3, Section 030302.A.2.b

Earlier this year, I announced several policy changes governing the use of the individually billed travel charge card within the Department of the Navy (DON). I intended these changes to address the continuing problem with delinquencies and to assist all major DON commands in better managing their travel card programs. Also, in order to measure progress, I established a DON metric of no more than 4.0 percent delinquency, based on the outstanding dollars due the card contractor, and required additional remedial actions of major commands that exceeded this metric.

As part of this effort, senior leadership of the commands not meeting the metric were required to brief me about their travel card program, describing actions they are taking to reduce delinquencies to meet the current goal. These meetings have been very productive, garnering several key points and valuable lessons that I wanted to share with you:

a. Retiring/Departing Personnel - Commands will deactivate travel cards of personnel within 90 days of their scheduled departure or End of Active Obligated Service. Cards should only be activated if those personnel are scheduled for official travel, but no sooner than 10 days prior to travel. These cards should be immediately deactivated upon completion of the travel.

b. Pre-funded travel card - A recurring topic discussed during these meetings was the need to have an alternative to the travel card. As a result, the DON is actively exploring the feasibility of implementing a pre-funded travel card (PFTC) program. The PFTC will have a preset spending limit, based on the amount allowed in the travel orders, eliminating any late payment issues. A DON team is currently working closely with the Department of the Treasury to deploy a pilot program later this year.

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c. Increased command discretion - Another recurring theme in our meetings with senior leadership was a desire for local commanders to have increased discretion when deciding whether to issue a travel card to particular individuals, such as those who are high credit risks. My staff has reviewed the waiver to mandatory card use outlined in reference (a) and believes that it already provides this discretion. Specifically, this section exempts individuals who have been denied a card, and appears to give broad discretion as to who has this authority. I respectfully request your concurrence with this interpretation. Should you agree, I will ensure that clear, tightly controlled internal procedures are developed to ensure that card denials under this section are justified.

I plan to hold similar meetings in the future to ensure the continued engagement of the DON's senior leadership.

Another important lesson learned is maintaining current addresses for cardholders. After my recent effort of sending letters to Navy and Marine Corps cardholders who were more than 60 days delinquent on their accounts, over 13 percent of the letters mailed were returned due to incorrect or non-current mailing addresses. I plan to notify DON commands of the importance of keeping this information current and believe this will improve with our increased emphasis of including Activity Program Coordinators in the check-in/check-out process.

The DON remains committed to improving management of the travel card program, including reducing delinquencies, and is working in many different areas to achieve this goal. My point of contact is Mr. Dave McDermott, who can be reached at (202) 685-6719 and DSN 325-6719.



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